GOVERNMENT OF INDIA
SHIPPING
LOK SABHA

UNSTARRED QUESTION NO:5031
ANSWERED ON:23.04.2015
SHIP REPAIR
George Shri (Adv.) Joice

Will the Minister of SHIPPING be pleased to state:

(a) whether the ship repairing facilities in the country are not sufficient to meet the requirement; and

(b) if so, the details thereof along with action taken thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI PON. RADHAKRISHNAN)

(a)&(b):The ship repair industry has a sizeable potential of about Rs.2,700 crores in India. However, India's ship repair turnover has fallen short of the potential. Some of the major problems affecting the ship repair industry in India include:

i. Lack of cheap and long term financing for ship repair industry as it does not enjoy infrastructure status.

ii. Higher ship repair costs especially for repair of domestic vessels due to prevailing tax regime.

iii. Complex customs bonding processes leading to time delays and increase in cost overruns.

The Steps taken to promote ship repair industry in India include:

(i) Service tax exemption granted by the Central Government vide exemption notification no. 14/2014- ST dated July 11, 2014 for repair of foreign going vessels by Indian shipyards to reduce operational costs of ship repair units.

(ii) Government has dispensed with the requirement for registration of ship repair units with Director General (Shipping) in December, 2014 to promote "Ease of Doing Business".